

Early Disclosure

Disclaimer

Through this Early Disclosure, IFC provides access, early in the environmental and social assessment process, to this draft Environmental and Social Impact Assessment (ESIA). This ESIA has been prepared by the client and should not be taken as an indication that IFC has completed its review of the potential investment. The purpose of this Early Disclosure is to enhance the transparency of IFC's activities with reference to those projects or investments with potential significant adverse environmental and social risks and/or impacts. Any project documentation or data included or attached herein has been prepared and authorized for public release by the client.

The disclosure of this ESIA should not be construed as presuming the outcome of IFC's review of the potential investment or the decision of its Board of Directors. An updated version of the ESIA reviewed by IFC may be disclosed at a later stage. In addition, prior to any consideration of the investment by IFC's Board of Directors, the Summary of Investment Information (SII) and the Environmental and Social Review Summary (ESRS) would be disclosed at least 60 days in advance.


Project Identification:

<i>Country:</i> Mozambique	<i>Project Name:</i> Portucel Moz	<i>Project No.:</i> 32522
<i>Region:</i> Sub-Saharan Africa		<i>Provisional Environment and Social Category:</i> A - Significant
<i>Dept./Div.:</i> CMGAF - Gbl Ind, Manufact, Agribus & Services/Agri & Forestry-Global MAS	<i>Company Name:</i> Portucel Mocambique	
<i>Project Business Sector:</i> A-DB - Plantation Forests		

Description of the Project:

IFC's proposed investment is to participate in the first phase of an ongoing greenfield eucalypts plantation project in Zambezia and Manica Provinces of Mozambique. This phase is estimated to cost up to \$131 million, for which IFC would provide up to \$25 million in equity. The proposed IFC investment will support the planting of up to 53,350 ha over the next three years and set the stage for a Phase-II investment.

These plantation areas fall within the 43 concessions, known as DUATs ("direito de uso e aproveitamento da terra" or land-use rights), totaling some 356,000 ha, granted to Portucel by the Mozambican government following a public consultation process in 2009. The Portucel investment was first approved in December 2009 by the Council of Ministers under Internal Resolution No. 7/2009. The purpose of the proposed project is for Portucel to build its capacity and test its forestry model in

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Mozambique including its ability to effectively engage communities and foster sustainable development.

Successful implementation of this first phase could result in a full-scale integrated industrial project including the establishment of an estimated additional 191,000 ha of plantations, construction of a million metric ton pulp mill and biomass power complex, and a port terminal in one of the Provinces. A decision about the precise location of the pulp mill and the ancillary installations will be taken during the first phase. Any such facilities and the full-scale afforestation project fall beyond the scope of the current IFC environmental and social review process and would necessitate additional E&S review and demonstrated compliance with applicable laws and IFC Performance Standards.

IFC will publish its own Environment & Social Review Summary at a later date.

Client's Contact Information:

Portucel Mozambique and its environmental and social impact consultants, Impacto Lda., have made the full Environmental and Social Impact Reports available to the general public in Portuguese for the disclosure and public consultation phase regarding Portucel Mozambique's proposed forestry projects in Zambézia and Manica Provinces of Mozambique.

The complete draft reports in Portuguese are available via the following link:
<http://www.impacto.co.mz/relatorios.html>.

Please note that these are draft versions for purposes of public consultation, and they might be modified in their final versions.

Attached are the two draft Non-Technical ESIA Summaries Translated into English.

Portucel Mozambique contacts are as follows:

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Approval Status:

LESS Initiate Review - Cleared by David Campbell Gibson at 8/25/2014 4:30:09 PM.

Comment : This amendment to the Early Disclosure provides copies of the English translation of the Non-Technical ESIA Summaries for Manica and Zambezia which have been approved for disclosure by client..

CESI Sector Leader Clear - Cleared by Jeremy Ansell at 8/25/2014 4:47:09 PM.

Comment : This is the notification of the availability of the English translations of the Non-technical summaries of the ESIA; LESS reports actual attachemnts will be uploaded manually..


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CESI Manager Approve - Approved by Robin L. Sandenburgh at 8/25/2014 5:12:30 PM.

Comment : Please make changes as per email 8/20/14.

CRU Approve - Approved by Ari Garscadden at 8/26/2014 11:17:55 AM.

Comment : Revision - Client clearance obtained and in compliance (AG).

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